

**MINUTES  
MID-YEAR BUDGET RETREAT  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
WEST GATE BANK, 6003 OLD CHENEY ROAD  
LINCOLN CONFERENCE ROOM  
THURSDAY, JANUARY 20, 2005  
A.M. SESSION**

Commissioners Present: Larry Hudkins, Chair  
Deb Schorr, Vice Chair  
Bernie Heier  
Bob Workman  
Ray Stevens

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dave Kroeker, Budget & Fiscal Officer  
John Boehm, Lincoln Independent Business  
Association (LIBA)  
Trish Owen, Chief Deputy County Clerk  
Ann Taylor, County Clerk's Office

The Chair opened the meeting at 9:04 a.m.

**NOTE:** The documents referred to are included in a packet that is on file in the County Clerk's Office.

**AGENDA ITEM**

- 1 MID-YEAR BUDGET REVIEW** - Dave Kroeker, Budget and Fiscal Officer
  - A. Mid-Year Status of Expenditure Budget
  - B. Mid-Year Status of Revenue Budget
  - C. Other Issues

Items A-C were not covered in the morning session.

- E. Letters from Agencies

Dave Kroeker, Budget and Fiscal Officer, gave an overview of the following:

- Action Items and Noteworthy Comments in Letters from Agencies (Exhibit A)

- Lancaster County, FY05 Projected Additional Appropriations, Mid-Year FY04 Budget Review (Page 5-1)

**CORRECTION:** Kroeker said the salary figure for Administrative Services (613) should be \$11,568, rather than \$5,369.

**MOTION:** Heier moved and Stevens seconded to inform Norm Agena, County Assessor/Register of Deeds, that the Board will allocate \$15,000 from the Microcomputer Fund for a server for the County Assessor/Register of Deeds' new operating system, provided that the remaining costs are funded through the County Assessor/Register of Deeds budget. Workman, Schorr, Stevens, Heier and Hudkins voted aye. Motion carried.

The Board approved Agena's request to replace a vacant Land Record Tech I position with an Appraiser Apprentice position.

The Board asked that: 1) Juvenile Probation provide rationale for the request to move \$500 from Office Equipment (3553) to Books & Subscriptions (3405); and 2) Kim Etherton, Community Corrections Director, consult Don Killeen, County Property Manager, regarding office space options.

Discussion took place regarding the length of time it is taking to complete juvenile evaluations since the Nebraska Department of Health and Human Services (HHS) Medicaid Division and Magellan, the Medicaid managed care company, assumed coordination and completion of the clinical portion of the evaluations. **NOTE:** The impact to the Youth Services Center's budget is estimated to be \$500,000 (November and December figures are not available). The figure shown on Page 5-1 will need to be revised.

**MOTION:** Stevens moved and Workman seconded to: 1) Send a letter to Nancy Montanez, Nebraska Department of Health & Human Services (HHS) Director, with copies to Governor Heineman; Dick Nelson, HHS Finance & Support; and Chris Peterson, HHS Finance & Support, outlining concerns and requesting a meeting within the next two weeks.

It was suggested that: 1) Ron Ross, former HHS Director, be invited to attend and give a historical perspective; and 2) Representatives from Sarpy County be invited to participate in the discussion (Sarpy County is experiencing similar problems).

**ROLL CALL:** Workman, Stevens, Schorr, Heier and Hudkins voted aye. Motion carried.

A review of the contract with the State for housing of state wards in the Youth Services Center was also suggested.

Kroeker reviewed General Assistance (GA) Client Services Budget, 2004-05 Budget (Page 801-1) and said if spending continues at the current pace, the budget will be overspent by \$1.6 million (see Page 801-3 for General Assistance, Hospital Claims Outstanding as of January 10, 2005). He said pharmacy bills are relatively current and said it is estimated that the Pharmacy Assistance Program will average \$100,000 per month in future months. Kroeker said if that figure holds, the budget will be overspent by \$1,182,855 at year end (see Page 801-1).

National drug assistance programs were mentioned as one cost savings measure.

Kerry Eagan, Chief Administrative Officer, reported that the Community Mental Health Center has drafted a position description for an employee to coordinate enrollments.

Kroeker reported a deficit in the County/City Property Management budget, due to unexpected repairs at the Community Mental Health Center and demolition work at the former Attention Center for Youth that was performed prior to the bid for the project and the agreement with CenterPointe (see Page 066-1). **NOTE:** CenterPointe has leased space in the building for a youth residential treatment center.

Board consensus was to adjust CenterPointe's rent to recapture the full cost of renovation.

- Budget Adjustments 7/14/04 (Page 5-2)

Gwen Thorpe, Deputy Chief Administrative Officer, said the County will receive additional funds from Nebraska Emergency Management Agency (NEMA) relating to the Hallam storm/tornado.

#### D. Five-Year Forecast

Kroeker gave an overview of the following:

- Lancaster County, No Increase in Staffing Over FY05 Budget, Five Year Budget Forecast - Property Tax Funds Only (For Discussion Purposes Only) (Page 4-1) and Lancaster County, General Fund History of Budgets (Page 4-7)

Kroeker said the greatest costs are in personnel.

- General Fund (GF) One-Time Budget Adjustments from FY04 to FY05 (Exhibit B)

Kroeker said the Board of Equalization line item needs to be increased in anticipation of the reappraisal.

Brief discussion took place regarding legislation with consensus to monitor the following:

- 1) LB 521 (Provide for funding services for persons with developmental disabilities)
- 2) LB 206 (Adopt the Development Disabilities Court-Ordered Custody Act)
- 3) LB 591 (Change provisions relating to public records and open meetings law)
- 4) Bills relating to inheritance tax

Returning to Page 4-1, Kroeker reported a total county tax figure of \$58,436,268 (\$7 million dollar increase). A tax rate of 0.3196 is required to fund the property tax piece, based on a valuation increase of 2.25%.

- Lancaster County, No Increase in Staffing Over FY05 Budget, Five Year Budget Forecast - Property Tax Funds Only (For Discussion Purposes Only) (Page 4-2)

Kroeker said a reduction of \$870,174 is required to remain under the lid in LB 1114. A reduction of \$6,082,300 is needed to remain under the lid in LB 299 (an additional 1% is available if there is a 75% affirmative vote of the Board). Kroeker reported unused budget carry-forward authority in the amount of \$12,224,190, through FY08. He said if projections are correct, the County will need \$10,366,000 in revenue or reductions, or legislative change.

- Funding Issues Next Five Years (Page 4-3)
- Reason for FY06 Projected Tax Increase (Page 4-4)
- History of Tax Requirements (see Exhibit B)
- Lancaster County, LC-3 Supporting Schedule, Calculation of Restricted Funds (Page 4-5)
- Lancaster County Group Insurance, County Share of Cost (Page 4-6)

**CORRECTION:** Kroeker said the percentage of change should be 7.90%, rather than 8.71%, in FY05 and 12.32%, rather than 13.30%, in FY06. The group insurance increase in FY06 should be \$1,026,000, rather than \$1,108,045.

- Lancaster County, General Fund History of Budgets (Page 4-7)
- History of Tax Requirements (Page 4-8)
- Lancaster County, General Fund Budgeted Payroll Costs (Page 4-9)

Kroeker said payroll costs increased 7.87%.

Workman said he does not believe the County can afford to continue funding the Lincoln-Lancaster Women's Commission.

**MOTION:** Workman moved and Heier seconded to notify the City of the County's intent to withdraw, as soon as possible, from funding of the Lincoln-Lancaster Women's Commission.

Workman said he believes private funding would be more appropriate.

**MOTION:** Stevens moved and Schorr seconded to table the item until Bonnie Coffey, Lincoln-Lancaster Women's Commission Executive Director, has been given an opportunity to discuss her duties and responsibilities with the County Board. Stevens, Heier, Schorr and Hudkins voted aye. Workman voted no. Motion carried.

Workman suggested that the Board give consideration to selling Lancaster Manor.

Hudkins said the premise behind county ownership was that operating a facility was less expensive than paying for care through General Assistance.

Kroeker said the County no longer has an obligation to individuals receiving Medicaid or Social Security Income (SSI).

Board consensus was to discuss whether ownership is still of value to the County with a representative of Siem, Johnson, Sestak & Quist, LLP.

E. Letters from Agencies

Item moved forward on the agenda.

F. Department Budget Hearing Schedule for Fiscal Year 2005-06

Item was not covered in the morning session.

The Chair recessed the meeting at 11:30 a.m. for lunch.

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Bruce Medcalf  
Lancaster County Clerk